

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 123 – SB 107**

March 21, 2011

**SUMMARY OF AMENDMENT (004861):** Deletes the original bill. Adds language to the current rules for unemployment insurance eligibility, prohibiting the payment of benefits on the basis of certain services performed for an educational institution.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – According to the Department of Labor and Workforce Development and pursuant to the Federal Unemployment Tax Act, this bill will put state law out of conformity with federal law making it null and void pursuant to Tenn. Code Ann. §50-7-104(b). Enactment of this bill would jeopardize approximately \$40,000,000 in federal funding for the unemployment insurance program.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease Local Expenditures – Exceeds \$100,000**

Assumptions applied to amendment:

- According to the Department of Labor and Workforce Development (DLWD), local government employers reimburse the Department for unemployment benefits paid. The net effect on the state unemployment insurance program will be zero.
- The precise number of individuals meeting the criteria of this bill who currently receive unemployment benefits cannot be determined. It is estimated that there will be a decrease in recurring local government expenditures for reimbursement to the state for unemployment insurance benefits exceeding \$100,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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